

1
2
3
4 **UNITED STATES DISTRICT COURT**
5 **WESTERN DISTRICT OF WASHINGTON**
6 **AT TACOMA**

7
8 WILLIAM T. WHITMAN, individually and on
9 behalf of all others similarly situated,

10 No. 3:19-cv-06025-BJR

11 DECLARATION OF MICHAEL LEWIS

12 Plaintiff,

13 v.

14 STATE FARM LIFE INSURANCE COMPANY,
15 an Illinois corporation

16 Defendant.

1 I, Michael Lewis, have personal knowledge of the information below and declare as follows:

2 1. I am an independent contractor agent for State Farm Life Insurance Company ("State
3 Farm Life") in Washington.

4 2. I am not an employee of State Farm.

5 3. I first joined State Farm as a claims adjuster in June of 1987. I became an independent
6 contractor agent in 1990 and have been licensed to market, solicit, and service insurance in
7 Washington since. During my career I have assisted with the purchase of hundreds of universal life
8 insurance policies and spoken to many potential and existing policyholders about life insurance.

9 4. My office is located in Lakewood, Washington, and the majority of State Farm
10 policyholders assigned to me are located in Lakewood and the surrounding area.

11 5. I understand that this lawsuit involves claims against State Farm Life relating to the
12 Universal Life insurance policy issued on Form 94030, which was sold in Washington between 1994
13 and 2004 ("the Policy" or "Universal Life").

14 6. The sale of life insurance is an individualized process that varies for each policyholder.
15 Each person has his/her own needs and expectations about what they want to get out of their life
16 insurance policy. There is not one policy that is best for everyone. The type of insurance product a
17 potential policyholder may choose depends on the needs of the person and will vary based on several
18 factors such as the amount of insurance the client wants, the amount of premium the person is willing
19 to contribute to insurance, whether they are looking for a short-term or long-term product, and any
20 other benefits the person desires. If a potential policyholder was interested in life insurance, I would
21 present the different types of policies available and the benefits under each. The person's needs would
22 guide the discussion to find the policy that best matched their individual circumstances.

23 7. In my experience, most policyholders who purchased universal life insurance do so
24 because of the policy's flexible features. Unlike other life insurance policies, Universal Life grants the
25 policyholder flexibility in the premium payments and amount of insurance. For example, if the
26 policyholder is facing financial difficulties they can access the account value during the life of the
27 policy and borrow against it or make withdrawals. If they overfunded the policy, the policyholder

1 could also adjust or pause the premium payments and let the account value temporarily sustain the
2 policy if needed.

3 8. I had several policyholders take advantage of the flexibility in the policy. In one
4 instance, a policyholder needed to cut costs after his wife had a baby and was unable able to work.
5 The flexibility of the policy allowed them to reduce the premium payments without losing the benefit
6 of their life insurance.

7 9. In another instance, a mother reduced the premium payments in her Universal Life
8 Policy to accommodate her sudden inability to work due to certain health concerns. In both instances,
9 the policyholders were able to accommodate their financial situation without surrendering their life
10 insurance.

11 10. Once their circumstances changed, I worked with the policyholder to adjust his/her
12 premium payments to ensure the life insurance remained funded.

13 11. If an individual was interested in Universal Life, my standard practice would be to
14 generate an illustration and review it with the potential policyholder to determine if it meets their
15 insurance goals. I would prepare the illustrations using a standard rate class for the insured's age and
16 sex. It was always my practice to walk through the illustration with the potential policyholder and
17 explain that the final rate class they receive may be different, depending on the results of the insured's
18 medical interview in underwriting. One thing I would always mention was tobacco use because it had
19 the biggest impact on the rate class. If a potential insured used tobacco, I explained that it would
20 impact the rate class to which he/she would be assigned, thereby impacting his/her cost of insurance
21 as well.

22 12. I always explained to policyholders how the account value and deductions would work
23 with the Universal Life Policy. I would use the illustration to explain that the premium payments are
24 made, monthly deductions are then taken to cover the cost of insurance and policy fees, and then the
25 remaining amount will go to the account value which grows on an interest rates over time with a
26 guaranteed 4%.

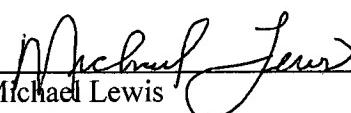
1 13. I also discussed with potential policyholders that the cost of insurance rate is expected
2 to increase over time as the person becomes older. I always emphasize to policyholders that it is
3 important to keep the account value properly funded in order to cover those deductions. My goal at
4 the end of every discussion was to make sure the policyholder was happy and that they understood the
5 Policy and what it would take to keep it properly funded.

6 14. With regards to the cost of insurance charge, in my experience, policyholders
7 understood that their individual cost of insurance was set according to the individual characteristics of
8 the person being insured and that certain factors create differences in rates. For example, some
9 potential policyholders were aware that if they had a history of smoking or had certain underlying
10 health issues, their rate would be higher than someone without those characteristics.

11 15. Overall, each discussion regarding universal life policies is different with each
12 individual. Every person has different financial needs and different objectives for obtaining life
13 insurance. While my common practice is to use the illustrations to explain the Policy, the conversation
14 was mainly guided by the specific needs of the person to develop a policy that would be in line with
15 their individual circumstances.

16
17 I declare under the penalty of perjury under the laws of the United States of America that the
18 foregoing is true and correct.

19 Executed this 25 of March, 2021 in Lakewood, Washington.

20
21 
22 Michael Lewis